

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

2. STATE
GEORGIA

0 3 - 0 0 1

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
February 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 2003

15,250,000

\$(16,478,630)

b. FFY 2004

\$(16,478,630) (16,580,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, page 20 and page 76

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D page 20 and page 76

10. SUBJECT OF AMENDMENT:

METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES NURSING FACILITY SERVICES

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Mark Trail

13. TYPED NAME: MARK TRAIL

14. TITLE:

Chief, Medical Assistance Plans

16. RETURN TO:

Department of Community Health
Medical Assistance Plans
2 Peachtree Street, NW
Atlanta, Georgia 30303-3159

15. DATE SUBMITTED:

March 4, 2003

FOR INFORMATION AND OFFICE USE ONLY

DATE RECEIVED:		DATE APPROVED:		DATE COPIES ATTACHED:	
APPROVED DATE OF APPROVAL:		SIGNATURE OF REGIONAL OFFICIAL:		SIGNATURE OF DIRECTOR:	
APPROVED DATE OF APPROVAL:		SIGNATURE OF REGIONAL OFFICIAL:		SIGNATURE OF DIRECTOR:	
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
NURSING HOME SERVICES

Summation of the (Net Per Diem or Standard Per Diem, whichever amount is less as to the facility) for each of the four Non-Property Cost Centers plus the Net Per Diem for the Property and Related Cost Center. The Property and Related Cost Center reimbursement for those facilities whose cost reimbursement is limited to the standard (90th percentile) per diem in this cost center will be based upon the standard per diem calculated from the cost reports for the year ending June 30, 1981.

Efficiency Per Diem =

Summation of (Standard Per Diem minus Net Per Diem) x 75% up to the Maximum Efficiency Per Diem for each of the five cost centers.

Growth Allowance =

Summation of 6.8% of the Allowed Per Diem for each of the four Non-Property and Related cost centers for nursing homes affiliated with critical access eligible hospitals or Summation of 1.8% of the Allowed Per Diem for each of the four Non-Property and Related cost centers for all other nursing homes. A nursing home affiliated with a critical access eligible hospital is a hospital-based facility for which the associated hospital has been designated as "critical access eligible" for payments for Medicaid inpatient services in accordance with Attachment 4.19A.

Further explanation of these terms is included below:

- a. In general, the Net Per Diem is determined from the costs of operation of the individual facility in which eligible patients reside. These reports are determined by utilizing the information submitted by the facility on its Cost Report.

All amounts and supporting data submitted on the Cost Report are subject to verification and adjustment by the Division. These modifications concern: mathematical calculation errors; limitations placed on allowable costs by the Nursing Home Manual, and the documents, principles, and criteria referenced therein; reasonableness limitations placed on salaries paid employees of the facility; reasonableness limitations using the principles contained in CMS-15-1; or other parameters placed on reasonable cost by the Division. These modifications basically concern what expenses are attributable to the care received and the

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
NURSING HOME SERVICES

adjustments for liability insurance costs will not be impacted by growth allowance factors applied in current rate calculations.

Effective on and after February 1, 2003, only nursing homes affiliated with critical access eligible hospitals will be eligible for rate adjustments for liability insurance costs. A nursing home affiliated with a critical access eligible hospital is a hospital-based facility for which the associated hospital has been designated as “critical access eligible” for payments for Medicaid inpatient services in accordance with Attachment 4.19A. Such rate adjustments will be limited to rate adjustment requests submitted by January 10, 2003.